

A Represents the purchase price allocations which were necessary in connection with the merger of The Graduate Hospitals into SON/AMERF. These transactions are considered "statutory mergers" for legal purposes, with debt considered the assumed purchase price amount. These transactions were accounted for under the purchase method in accordance with APB Opinion No. 16 - "Business Combinations". Refer to external w/p 206-200 (in the Opening B/S binder) for further support.

B Prior experience with the Delaware Valley entities led to the \$50 million reserve for bad debts. AMERF management believed that when the DV entities were brought into the AMERF system, the entities did not have sufficient reserves on their books for bad debts. Therefore, management wanted to have sufficient reserves for The Graduate Hospitals when they were brought into AMERF. AMERF management discussed this decision with the C&L partner who agreed that a reserve should be established.

C The Graduate Hospitals and SON, Inc. entered into a technology agreement which provides that for a period of 3 years following the execution of the agreement, the Graduate Hospitals will continue to have the ability to utilize HSI's "Fourth Generation Medical Management" system, as the system shall be constituted from time to time, and SON will facilitate and promote, and will cause their affiliates and promote the development, use, and improvement of the system.

It was agreed that SON or one or more of the Graduate Hospitals collectively shall pay HSI and aggregate consideration of \$12 million: 1) \$2.4 million on the Effective Date; and 2) four additional payments of \$2.4 million payable on each of the four successive anniversaries of the Effective Date. Refer to external w/p 206-201 for further support.

Per Entry	4,400,000	Additional consideration
	2,400,000	S/T
	2,200,000	L/T
	14,000,000	
Per Detail	12,000,000	w/p 206-201
Difference	2,000,000	

Per Chuck Laman, the difference relates to the amount paid to acquire various HSI subsidiaries. These for-profit subsidiaries include: HSI Mgmt, Lumber Labs, Concourse Medical Research, Advance Technology Management, Graduate Health System Home Medical, Reed Printing, Bala Imaging, and GHS Holding Co.

D The estimate of AMS runoff represents a reserve for invoices at each hospital that were not entered into the A/P system at the time Graduate was merged with AMERF. Chuck Laman analyzed the P&L by looking at the trend of expenses. He estimated the number of months that the Graduate Hospitals were behind in entering invoices and multiplied the number of months by the total expenses. Basically, this account represents cushion.

E Capitalize Negative Goodwill

The system does not close equity to the P&L until year-end; therefore, C&L had to subtract equity from excess of revenues/gains to determine negative goodwill.

Graduate

Excess of Revenue/Gain	(33,874,901)
Equity	12,010,056
	(21,864,845)

ML Sinai

Excess of Revenue/Gain	(8,303,943)
Equity	574,039
	(5,729,904)

Rancocas

Excess of Revenue/Gain	(1,031,047)
Equity	15,140,680
PT Equity at 12/31/96	4,890,396
	(1,281,341)

PT Equity at 12/31/96 4,890,396 PY 12/31/96 equity was not included in equity as of 4/30/97.

F The Contingent Liability Reserve represents an additional reserve for potential costs that may be encountered by AMERF due to the merger of the Graduate Hospitals. These costs may include legal costs, personnel/payroll related costs, moving costs, etc. Basically, this account was set up for cushion.

G SSMOB was merged into Graduate Hospital at the opening balance sheet date. The \$1,895,991 represents the transfer of the Church (Office Bldg.) that was managed by SSMOB to Graduate. Graduate has since then sold the Church. Refer to external w/p 206-202 for further support.

Per Entry	2,109,271
Per Detail	1,895,991
	213,280

Per Chuck Laman, the difference represents a portion of the cost of the that was inadvertently not recorded until a later date.

H In connection with SON's purchase of the Graduate Hospitals, GHS contributed \$10 million and agreed to contribute an additional \$15 million. GHS contributed \$10 million in cash and agreed a \$15 million noninterest bearing note, payable in equal amounts over the next 3 years. Graduate is discounting the note and recording the present value of the noninterest bearing note on the balance sheet which amounts to \$1,758,053. Refer to external w/p 206-203 for further support.

I In connection with the recruitment of Anesthesiologists at ALH, ALHS agreed the physicians would maintain their existing claims made professional liability insurance with FMJSLC until 12/31/97. Thereafter, coverage would be arranged through AHSPEC and ALHS would fund the tail premium arising due to the conversion. The estimated tail premium is \$300,000. An additional \$1 million was recorded due to management evaluating the indicated discounted outstanding losses developed by Taubman-Towers Parn. Refer to external w/p 206-204 for further support.

J Management analyzed the apings for physician billings and noted a few accounts in the higher aging buckets. Management realized that they may not collect from these physicians and wanted to develop a reserve. Reserve for external w/p 206-205 for further support.

K AMERF is planning on discontinuing the operations of ML Sinai and the Zurbrugg O/P Clinic. Management has estimated the costs of the shutdown and have included these estimated costs as part of the purchase price adjustment.

ML Sinai

AMERF has accrued \$3 million based upon a \$280,000 per month loss on operations.

Rancocas

AMERF has a \$1 million reserve for discontinued operations.

L Joe Schert has estimated the CRA liability from the preliminary cost reports for the period ending in April. He estimated the liability to be approximately \$300,000. As of fieldwork, this liability had already been paid.

M As a result of the impending sale of the ML Sinai facility, Human Resource personnel have completed an analysis of the estimated severance costs to be incurred. These costs amount to \$4,619,000. Management has booked a reserve in the amount of \$5,500,000. Approximately, 350 full-time employees will be affected by the sale of the facility, half of which are union personnel. Refer to external w/p 206-206 for further support. The additional \$900K was due to the Mayor of Philadelphia making a request to AMERF to extend the severance period due to amount of business AMERF has with City of Philadelphia.

N AMERF is planning on discontinuing operations at ML Sinai. AMERF believes that the PPE should be valued at \$8 million. The Valuation Consultants Report valued the PP&E at \$27 million. AMERF made the \$12,730,033 entry to write down the PP&E on the books to the \$8 million which is the amount that AMERF feels it can sell the building.

O Graduate wrote down the building for the Zurbrugg O/P Clinic to an estimated FMV of \$1 million. At 12/31/96, it wrote the building up to \$4.2 million. Subsequent to the release of the audit report as of 12/31/96 a letter of intent was received to buy the building for \$200,000. AMERF has the building on the books at \$200,000 after the \$4 million entry to write it down to the letter of intent.

P The AMERF system will not let the entities overstate the amount of the grants awarded. However, the Graduate system would allow for the over-estimation of the grant. Based upon expenditures, AMERF estimated that Graduate over-recorded Grant Revenue by \$300,780. AMERF is unsure if the Grants will pay for this over-estimation; therefore, they have established a reserve.

Q Per conversation with Chuck Laman and Don Carasini, C&L notes that the goodwill is to be amortized over a 35 year period using the straight-line method. Don Carasini and the C&L partner agreed that the goodwill should be amortized over a 35 year period.

CL 013236

EXHIBIT 4132

AHERF
06/30/97

File Section Heading: Liabilities and Capital
File Section Code: 0072
File Section Name: Accrued liabilities and other payables
Step Name: Test accrued liabilities and other payables balances for reasonableness, fluctuations and omissions.

Step Description:
Review the balances for reasonableness, expected or unexpected fluctuations between years and obvious omissions. Obtain explanations for any changes greater than or equal to \$500,000 and 5%.

Audit Objectives:

Step Comments
Please see W/P 72-1

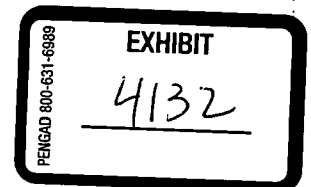
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Completed By: Anthony R. Carrabba **Date:** 08/27/97 12:21:25 PM
Last Modified By: Christa L. Porter **Date:** 09/15/97 03:35:26 PM

☐ **Reviewed:**

Christa L. Porter 09/15/97 03:35:26 PM

☐ **Mark for deletion:**



CL 015220

EXHIBIT 4201

WM. Butler
5/17/96

**AHERF
A/R Bullet Points**

1. AHERF is aging inpatient accounts from final bill date versus discharge date. Additionally, AHERF is aging outpatient accounts from the last pay date, if there has been no payment the account is being kept in current.
2. The system is automatically reversing the contractual and moving patient accounts into self pay when the account reaches a certain age distorting AHERF's contractual allowance and bad debt reserve.
3. Problem identified by several directors was with medical records coding and/or registration leading to front-end rejections by third parties.
4. Charge entry problems for at least one facility where only room & board charges were posted, there were no I/P services charges for a period of one month.
5. There are "mis" contractuals patient accounting is aware of that are still in the system that have not been removed.
6. During seven months of the fiscal year, the billing department was not utilizing the system for certain payors, instead they were manually examining every bill.

aging?

75 vs 96?

No follow up
Automate the bill

ST. CHURCH - CD P Problem

① AIR Aging

- 1995 - Discharge Date or Treatment Date
- Change has resulted in reduced AIR bad debt allowance

② Monitoring Controls
Financial Dept. should Review - Patient Accounting should provide access.

③ May manual intervention to post contractual adjustments

④ Non-billing Control
Feb '96 to Jan '96
Caught 30-45 days after the fact.

⑤ Review Aging for old system - @ Commission

⑥ MCPN -
Aging must be reviewed - Not included for third party billing

⑦ Accounting & Gross
NU - 2.10 million
net

CL 035625

⑧ Cash Receipts for April '96 - How much is PIP?

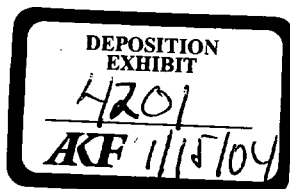


EXHIBIT 4239

Coopers
& Lybrand

Coopers & Lybrand L.L.P.

a professional services firm

W/P

Report of Independent Accountants

To the Board of Trustees of
Allegheny General Hospital:

We have audited, in accordance with generally accepted auditing standards, the consolidated balance sheet of Allegheny General Hospital, hereinafter referred to as the Obligated Group, as of June 30, 1996, and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended, and have issued our report thereon dated September 11, 1996. The Obligated Group includes the accounts of Allegheny General Hospital and Allegheny-Singer Research Institute.

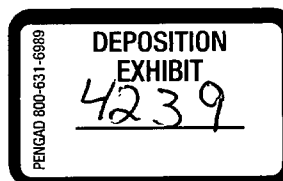
In connection with our audit, nothing came to our attention that caused us to believe that the Obligated Group was not in compliance with the covenants (insofar as they relate to accounting or auditing matters) contained in Section 7 of the Reimbursement and Security Agreement (Agreement) dated April 1, 1995 with Morgan Guaranty Trust Company of New York and PNC Bank (as Master Trustee). It should be noted, however, that our audit was not directed primarily toward obtaining knowledge of such noncompliance.

The Obligated Group's financial covenants for "Capitalization," "Liquidity" and "Debt Service Coverage Ratio" for the year ended June 30, 1996 was 54.9%, 3.63 to 1 and 2.46 to 1, respectively. Pursuant to the provisions of the Agreement, the aforementioned ratios were calculated as defined in the Agreement. Also, the Obligated Group has not entered into any liens except as permitted by the Agreement.

This report is intended solely for the information and use of the Board of Trustees and management of the Obligated Group, Morgan Guaranty Trust Company of New York, and PNC Bank and should not be used for any other purpose.

Pittsburgh, Pennsylvania
September 11, 1996

Coopers & Lybrand L.L.P.



CL 006236



Coopers & Lybrand L.L.P.

a professional services firm

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In connection with our audit, nothing came to our attention that caused us to believe that The Obligated Group was not in compliance with the covenants (insofar as they relate to accounting or auditing matters) contained in Article V of the Restated and Amended Master Trust Indenture (Indenture) dated April 7, 1993 (as supplemented and amended) with PNC Bank (as Master Trustee). It should be noted, however, that our audit was not directed primarily toward obtaining knowledge of such noncompliance.

The Obligated Group's "Historical Long-Term Debt Service Coverage Ratio" for the year ended June 30, 1996 was 2.69 to 1. Pursuant to the provisions of the Indenture, the Historical Long-Term Debt Service Coverage Ratio is determined by dividing Income Available for Debt Service by the Long-Term Debt Service Requirement as these terms are defined in the Indenture.

This report is intended solely for the information and use of the Board of Trustees and management of The Obligated Group and PNC Bank and should not be used for any other purpose.

Coopers & Lybrand L.L.P.

Pittsburgh, Pennsylvania
September 11, 1996

CL 006237

OCT-17-96 THU 9:17

TREASURY

FAX NO. 4422290

P.03

AGH OBLIGATED GROUP

18-Sep-96

MORGAN GUARANTY TRUST CO OF NY
[Series 1995-B Reimbursement & Security Agreement]

Financial Ratios

For the twelve months ended June 30, 1996
(\$'S IN THOUSANDS)

Covenant	Calculated Ratio
A. Liquidity Ratio Not less than 2:1	
Calculation: $\frac{(\text{Current Assets} + \text{Board-designated Assets})}{\text{Current Liabilities}}$	
$= \frac{83,795 + 151,298}{84,784}$	$= \underline{\underline{3.63}}$
B. Total Indebtedness to Total Capitalization Not more than 66-2/3%	
Calculation: $\frac{(\text{Long-term Debt})}{(\text{Long-term Debt} + \text{Consolidated Unrestricted Fund Balances})}$	
$= \frac{257,521}{257,521 + 211,104}$	$= \underline{\underline{54.95\%}}$
C. Debt Service Coverage Ratio Not less than 1.2:1	
Calculation: $\frac{(\text{Excess Revenues Over Expenses} + \text{Depreciation/Amortization} + \text{Long-Term Interest Exp.})}{12\text{-month Projected Long-term Debt Service Requirement}}$	
$= \frac{6,321 + 33,284 + 13,827}{21,797 [a]}$	$= \underline{\underline{2.46}}$
D. Maintain a Consolidated Unrestricted Fund Balance of at Least \$200,000.	
Consolidated Unrestricted Fund Balance, at June 30, 1996	$= \underline{\underline{\$211,104}}$

[a] Variable rate assumption: most recent 3-month average. Or, if not available, rate at inception.

OCT-17-96 THU 9:17

TREASURY

FAX NO. 4422290

P. 02

AGH OBLIGATED GROUP

RESTATED & AMENDED MASTER TRUST INDENTURE COVENANT
for Fiscal Year ending June 30, 1996
(\$ Thous)

HISTORICAL LONG-TERM DEBT SERVICE COVERAGE RATIO

Income Available for Debt Service:

Excess of Revenues Over Expenses
Depreciation and Amortization
Long-Term Debt Interest Expense

\$6,321

33,284

13,927

\$53,532

Long-Term Debt Service Requirement:

1988 Bonds

3,001

1991 Bonds

5,081

1993 Bonds

6,344

1995 Bonds

4,522

ANI Term Loan

475

Capital Leases

411

Guarantees [20% of annual debt service requirement]

72

\$19,886

Historical Long-Term Debt Service Coverage Ratio
[requirement: 1.10]

2.692 x

05-Sep-96

Filename: S:\123\KKL\LTDS96.WK3

CL 006239

OCT-14-96 MON 15:51 4422359 AHERF 4TH FLR CLARK BLDG FAX NO. 4422359 P. 02

392-4432

Report of Independent Accountants

To the Board of Trustees of
Allegheny General Hospital:

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Pittsburgh, Pennsylvania
September 11, 1996

CL 006240

Report of Independent Accountants

To the Board of Trustees of
Allegheny General Hospital:

We have audited, in accordance with generally accepted auditing standards, the consolidated balance sheet of Allegheny General Hospital, hereinafter referred to as the Obligated Group, as of June 30, 1996, and the related consolidated statements of revenue and expenses, changes in net assets, and cash flows for the year then ended, and have issued our report thereon dated September 11, 1996. The Obligated Group includes the accounts of Allegheny General Hospital and Allegheny-Singer Research Institute.

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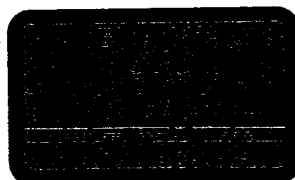
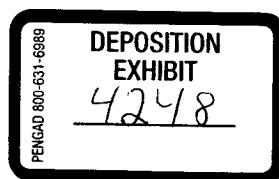
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CL 006241

Pittsburgh, Pennsylvania
September 11, 1996

CL 006242

EXHIBIT 4248



PwC 010082
FOIA CONFIDENTIAL TREATMENT
REQUESTED BY PwC

0053 Plaintiff A/R 10.1.62

AHERF
06/30/97

Working Paper Name: A/R Lead Schedule - 3/31/97
Working Paper Reference: 0053-1
Working Paper Type [X]: OLE

AHERF
A/R Lead Schedule
03/31/97

NOTE: A fluctuation analysis was not prepared as of 3/31/97. The flux will be completed at 6/30/97.

☒ **Completed**

Completed By: Kristen Heinlein **Date:** 07/28/97 10:15:01 AM
Last Modified By: Christa L. Porter **Date:** 09/10/97 04:34:07 PM

☐ **Reviewed**

Christa L. Porter
Christa L. Porter
Christa L. Porter

☐ **Mark for Deletion**

Modification History:

Kristen Heinlein
Dana Bleckman
Christa L. Porter

112290026	Reserve - Commercial O/P	654,989	0	654,989	ERR
112290027	Reserve Client Billing	(450,022)	(416,178)	(33,844)	8.13%
	Reserve Water - MA	0	(524,185)	524,185	-100.00%
	Reserve Water - MC	0	(592,770)	592,770	-100.00%
	Reserve Water - BC	0	293,462	(293,462)	-100.00%
	Reserve Water - HMO	0	(47,884)	47,884	-100.00%
112290030	Reserve - Workers Comp I/P	(80,692)	0	(80,692)	ERR
112290031	Reserve - Workers Comp O/P	(277,335)	0	(277,335)	ERR
112300000	Reserve - Managed Care I/P	(542,434)	0	(542,434)	ERR
112300002	Reserve - Managed Care O/P	(293,226)	0	(293,226)	ERR
112310000	Reserve - Managed Blue I/P	164,363	0	164,363	ERR
112310002	Reserve - Managed Blue O/P	(447,247)	0	(447,247)	ERR
112320000	Reserve - Security Blue I/P	(547,747)	0	(547,747)	ERR
112320002	Reserve - Security Blue O/P	(117,290)	0	(117,290)	ERR
112340000	Reserve - HealthAmerica I/P	35,333	0	35,333	ERR
112340002	Reserve - HealthAmerica O/P	(368,218)	0	(368,218)	ERR
112350000	Reserve - USHealthcare I/P	(272,547)	0	(272,547)	ERR
112350002	Reserve - USHealthcare O/P	(271,447)	0	(271,447)	ERR
112430000	AVH Blue Cross Clearing - I/P	(827,288)	0		
112430002	AVH Blue Cross Clearing - O/P	(1,480,836)	0		

TOT PAT RECEIVABLES - AVH	21,464,949	20,709,208	755,741	3.65%
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PARKVIEW & CITY AVE.

1201000	I/P A/R - All	39,005,094 N	31,940,168	7,064,926	22.12%
1201010	I/P A/R - Wise Choice	0	53,906	(53,906)	
1201011	I/P A/R - OHS	0	150,000	(150,000)	
1201900	I/P Valuation/Contractual	(7,843,137) V	(4,626,831)	(3,216,306)	69.51%
1204100	I/P Reserve For Uncollectible Accts	(3,387,963) 4	(3,725,673)	337,710	-9.06%
1204101	Reserve for Bad Debt - SSI	(500,000) X	0	(500,000)	ERR
1204200	O/P Reserve for Uncollectible Accts	(3,777,316) 4	(2,193,635)	(1,583,681)	72.19%
1205000	Hospital Cash Clearing	2,481,696	(169,508)	2,651,204	-1564.06%
1205001	Cash Clearing - I/P	602,824	(142,982)	745,806	-521.61%
1205002	Cash Clearing - O/P	(233,566)	(210,999)	(22,567)	10.70%
1205010	Keystone Cap Clearing	(16,074) U	(9,616)	(6,458)	67.16%
1205090	Cap Clearing - Other	(37,202)	(24,718)	(12,484)	50.51%
1240900	CRA Other	(6,219,469) W	0	(6,219,469)	

TOT PAT RECEIVABLES - PV & CA	20,074,887	21,040,112	(965,225)	-4.59%
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Sum 4	7,165,279 T
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RANCOCAS

1201000	I/P A/R-All	26,492,995 L	22,560,596	3,932,399	17.43%
1201012	I/P A/R - MICA	984,689 L	1,404,832	(420,143)	-29.91%
1201800	I/P Refund Control	21,843	305	21,538	7061.64%
1201900	I/P Valuation/Contractual Reserves	(8,437,213) 53-31	(7,810,486)	(626,727)	8.02%
1201901	Other Caluation Reserves	(208,524) 53-31	(244,669)	36,145	-14.77%
1202000	O/P A/R Control	8,042,552 M	7,070,598	971,954	13.75%
1202006	O/P A/R - PTSS-Deiran	13,718	16,762	(3,044)	-18.16%
1202007	O/P A/R - PTSS-Willingboro	20,110	22,357	(2,247)	-10.05%
1202900	O/P Valuation/Contractual Reserves	(1,827,794) 53-31	(1,336,032)	(491,762)	36.81%
1204100	I/P Reserve for Uncollectible Accts	(5,044,671) 53-20	(5,249,444)	204,773	-3.90%
1204200	O/P Reserve For Uncollectible Accts	(3,760,175) 53-20	(3,630,481)	(129,694)	3.57%
1205000	Hospital Cash Clearing	(111,572)	104,351	(215,923)	-206.92%
1205015	USHC Cap Clearing	(30,297)	0	(30,297)	ERR

TOT PAT RECEIVABLES - Rancoc	16,155,661	12,908,689	3,246,972	25.15%
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GRADUATE

1201000	I/P A/R - All	41,103,821 K	41,378,159	(274,338)	-0.66%
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PwC 010118FOIA CONFIDENTIAL TREATMENT
REQUESTED BY PwC

1201800	I/P Refund Control	32,215	52,064	(19,849)	-38.12%
1201900	I/P Valuation/Contractual Reserves	(14,263,659) 53-29,Z	(17,067,197)	2,803,538	-16.43%
1201902	Other Reserves - PFMA	(7,050,000) CC	0	(7,050,000)	ERR
1201903	Other Reserves - Hill Burton	(1,500,000)	22,922,351	(24,422,351)	-106.54%
1201905	MA Reserve	(2,360,604) AA	(5,895,952)	3,535,348	-59.96%
1202000	O/P A/R Control	21,853,875 K	(7,023,726)	28,877,601	-411.14%
1204100	I/P Reserve For Uncollectible Accts	(6,553,238) 53-18	(995,951)	(5,557,287)	557.99%
1204200	O/P Reserve For Uncollectible Accts	(8,263,271) 53-18	0	(8,263,271)	ERR
1205000	Hospital Cash Clearing	(2,735,135)	0	(2,735,135)	ERR
TOT PAT RECEIVABLES - Graduat		20,264,004	33,369,748	(13,105,744)	-39.27%

MT. SINAI

1201000	I/P A/R - All	14,447,388 K	8,510,052	5,937,336	69.77%
1201800	I/P Refund Control	2,091	0	2,091	ERR
1201900	I/P Valuation/Contractual Reserves	(5,798,680) 53-30	(2,555,253)	(3,243,427)	126.93%
1201905	MA Reserve	(1,915,000) AA	0	(1,915,000)	ERR
1202000	O/P A/R Control	1,480,672 K	1,334,155	146,517	10.98%
1202900	O/P Valuation/Contractual Reserves	(75,000) 53-30	0	(75,000)	ERR
1204100	I/P Reserve for Uncollectible Accts	(1,450,000) 53-19	(1,053,000)	(397,000)	37.70%
1204200	O/P Reserve for Uncollectible Accts	(532,000) 53-19	(408,000)	(124,000)	30.39%
1205000	Hospital Cash Clearing	(267,842)	9,500	(277,342)	-2919.39%
TOT PAT RECEIVABLES - Mt. Sinai		5,891,629	5,837,454	54,175	0.93%

CONSOLIDATED A/R, Net		407,177,137	389,029,169	(5,354,721)	-1.38%
------------------------------	--	--------------------	--------------------	--------------------	---------------

A C&L notes that I/P A/R per the Invision system and the Patcom system totals \$10,691,488.
 Per T/B 10,608,341
 Per system 10,691,488
 (83,147)

Per conversation with Robin Schafer, the difference is being investigated and will be resolved by year-end.

B C&L notes that O/P A/R per the Invision system and the Patcom system totals \$13,133,859.
 Per T/B 13,123,547
 Per system 13,133,859
 (10,312)

Per conversation with Robin Schafer, the difference is being investigated and will be resolved by year-end.

C C&L notes that I/P A/R per the Invision system and the Patcom system totals \$16,789,456.
 Per T/B 16,838,939
 Per system 16,789,456
 49,483

Per conversation with Robin Schafer, the difference is being investigated and will be resolved by year-end.

D C&L notes that I/P A/R per the Invision system and the Patcom system totals \$26,998,328.
 Per T/B 26,883,504
 Per system 26,998,328
 (114,824)

E C&L notes that the I/P and O/P A/R per SMS system totals \$139,834,843.
 Per T/B 139,717,436
 Per system 139,834,843
 (117,407)

Per conversation with Robin Schafer, C&L notes that the difference was written off in the month of March.

F C&L notes that I/P A/R per the SMS system totals \$51,884,549.
 Per T/B 51,920,815
 Per system 51,884,549
 36,266 Im

PwC 010119

FOIA CONFIDENTIAL TREATMENT
 REQUESTED BY PwC

AHERF
06/30/97

Working Paper Name: Gross to Net Revenue Trend Report - 6/30/97
Working Paper Reference: 0053-38
Working Paper Type [X]: OLE

AHERF
Gross to Net Revenue Trend Report
06/30/97

NOTE: This w/p represent's "Dan's Cheat Sheet" for monitoring gross and net revenue.

Completed

Completed By: Kristen Heinlein **Date:** 08/28/97 08:39:31 AM
Last Modified By: Christa L. Porter **Date:** 09/10/97 04:34:07 PM

Reviewed

Christa L. Porter

Mark for Deletion

Modification History:

Kristen Heinlein

HERE Gross to Net Revenue Trend Report
08/30/97

NOTE:

Per conversation with Robin Schaefer, C&L notes that Don Cincosini and Robin analyze the gross to net revenue trend report to determine if the rate variances between market for IP and O/P is significant. If a rate fluctuates greatly, Don and Robin will investigate to determine the reason for the variance.

	MCC				EPPI			
	Month		YTD		Month		YTD	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Admits	1,085	1,130	13,824	13,576	228	228	2,474	2,554
Discharges	1,101	1,104	13,792	13,578	228	228	2,483	2,554
Days	5,357	6,113	72,076	74,077	2,752	3,384	36,914	38,412

June 1997 - Elkins Park

	Month		YTD	
	Actual	Budget	Actual	Budget
Admits	701	642	8,776	7,860
Discharges	668	622	8,754	7,995
Days	3,303	3,691	44,345	44,982
I/P Gross	\$9,001 I/S	\$9,041	\$116,954	\$113,966
O/P Gross	5,854 B	4,301	66,521	52,328

*Gross revenue adjusted for L. Griffin account which was overcollected, \$393

B C&L notes that O/P Gross Income per the I/S totals \$5,700,000. The difference of \$64,000 is deemed immaterial.

Rate	YTD
I/P	FY97
O/P	32.2%
	35.4%
	FY98
	33.3%
	38.2%

I/P Net Revenue per Admission	I/P Gross Revenue per Admission	I/P Net Revenue Per Day	I/P Gross Revenue per Day
FY97 Average \$4,283	FY97 Average \$13,289	FY97 Average \$848	FY97 Average 2,631
FY98 Average 4,338	FY98 Average 13,011	FY98 Average 799	FY98 Average 2,365

8,077	\$107,653	\$104,925
8,086	60,667	48,027
41,042		
		41,391
		7,338
		7,363

PwC 010095.B
FOIA Confidential Treatment
Requested by PwC

June 1987 - Bucks County

	Month		YTD	
	Actual	Budget	Actual	Budget
Admits	486	563	6,777	6,877
Discharges	480	567	6,777	6,877
Days	2,586	3,164	37,367	38,946
I/P Gross	\$7,671 I/S	\$7,850	\$98,461	\$97,804
O/P Gross	5,631 C	3,547	53,256	43,151

C & L notes that O/P Gross Income per the US totals \$5,635,000. The difference of \$4,000 is deemed immaterial.

Rate	YTD	
	FY97	FY96
I/P	30.7%	33.2%
O/P	40.1%	46.2%

I/P Net Revenue per Admission	I/P Gross Revenue per Admission	
	FY97 Average	FY96 Average
	\$4,459	\$4,529
	4,582	13,795

I/P Net Revenue Per Day	I/P Gross Revenue per Day	
	FY97 Average	FY96 Average
	\$609	\$609
	791	2,380

PwC 010095.C
FOIA Confidential Treatment
Requested by PwC

June 1997 - SCHC

	Month		YTD	
	Actual	Budget	Actual	Budget
Admits	805	849	11,015	10,960
Discharges	814	846	11,023	10,960
Days	3,611	4,223	47,731	54,335
I/P Gross	\$18,245 I/S	\$19,818	\$237,224	\$253,316
O/P Gross	6,664 I/S	4,522	67,548	54,950
Rate	YTD	FY96		
I/P	41.6%	43.2%		
O/P	50.8%	51.5%		
I/P Net Revenue per Admission			I/P Net Revenue Per Day	
FY97 Average	\$6,960		FY97 Average	\$2,068
FY96 Average	9,956		FY96 Average	2,010
I/P Gross Revenue per Admission			I/P Gross Revenue per Day	
FY97 Average	\$21,536		FY97 Average	\$4,970
FY96 Average	23,042		FY96 Average	4,551

10,210
10,209
44,120

10,111
10,114
50,112

\$218,979
\$0,864

\$233,498
50,428

PwC 010095.D
FOIA Confidential Treatment
Requested by PwC

June 1997 - Hahnemann

	Month		YTD	
	Actual	Budget	Actual	Budget
Admits	1,368	2,003	20,437	22,848
Discharges	1,352	1,980	20,468	22,813
Days	9,485	12,651	130,374	145,562
*Admissions decreased approximately 300 in May as a result of loss of moms and babies; budget for this is approximately 400/month				
I/P Gross	\$50,447 I/S	\$71,841	\$767,029	\$824,311
O/P Gross	10,136 I/S	9,271	116,245	112,801
Rate	YTD	FY96		
I/P	36.0%	34.9%		
O/P	47.0%	46.8%		

I/P Net Revenue per Admission	I/P Gross Revenue per Admission	I/P Net Revenue Per Day	I/P Gross Revenue per Day
FY97 Average \$13,500	FY97 Average \$37,531	FY97 Average \$2,116	FY97 Average \$5,883
FY96 Average 12,587	FY96 Average 36,100	FY96 Average 1,893	FY96 Average 5,400

19,069
19,116
120,889

\$716,582
105,109

20,845
20,833
132,951

\$752,470
103,630

June 1997 - Graduate Hospital

	Month		YTD	
	Actual	Budget	Actual	Budget
Admits	842	875	10,263	11,000
Days	4,563	5,184	57,414	63,930
I/P Gross	\$34,450 I/S	\$36,671	\$417,105	\$458,361
O/P Gross	12,436 D	12,757	138,877	142,141

D C&L notes that O/P Gross income per the I/S totals \$12,439,000. The difference of \$3,000 is deemed immaterial.

Rate	YTD
I/P	FY97
O/P	27.3% G
	29.8%

I/P Net Revenue per Admission	I/P Gross Revenue per Admission	I/P Net Revenue Per Day	I/P Gross Revenue per Day
FY97 Average \$11,100	FY97 Average \$40,642	FY97 Average \$1,984	FY97 Average \$7,265
FY96 Average 10,287	FY96 Average 38,100	FY96 Average 1,778	FY96 Average 5,400

G does not include \$3.4m H&I deferred revenue

PwC 010095.E
FOIA Confidential Treatment
Requested by PwC

June 1997 - Mt. Sinai

	Month		YTD	
	Actual	Budget	Actual	Budget
Admits	470	394	4,966	4,825
Days	4,483	4,133	50,984	50,334
I/P Gross	\$5,198 I/S	\$4,902	\$60,978	\$59,124
O/P Gross	398 I/S	321	4,460	3,821
Rate	YTD	FY97		

4,498
46,501

4,431
46,201

\$55,780
4,064

\$54,222
3,500

43.7%
32.6%

I/P
O/P

I/P Net Revenue per Admission
FY97 Average \$5,360

I/P Gross Revenue per Admission
FY97 Average \$12,279

I/P Net Revenue Per Day
FY97 Average \$522

I/P Gross Revenue per Day
FY97 Average \$1,196

PwC 010095.F
FOIA Confidential Treatment
Requested by PwC

AHERF
06/30/97

File Section Heading: Assets
File Section Code: 0053
File Section Name: Patient Accounts Receivable
Step Name: Obtain or prepare a comparative summary at 6/30/97
Step Description:
Obtain or prepare a summary of patient receivables by general ledger account balances at 6/30/97 and perform the following:

- a. Agree amounts to the general ledger.
- b. Perform fluctuations analysis from 3/31/97 balances.

Audit Objectives: Completeness
Accuracy

Step Comments

☒ **Completed**

Completed By: Kristen Heinlein **Date:**
Last Modified By: Christa L. Porter **Date:** 09/10/97 04:34:07 PM

<input type="checkbox"/> Reviewed	Christa L. Porter	09/10/97 04:34:07 PM
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☐ **Mark for Deletion**

AHERF
BAD DEBT EXPENSE ANALYSIS
6/30/96

NOTE: The Graduate hospitals, Forbes, & AVH are being analyzed since the opening balance sheet.

X The Graduate entities, Forbes, and AVH are not included.

	HUH	SCHC	MCP	Graduate	Mt. Sinai	Ranocas	AVH	AHERF	AHERF (consolidate)
	6/30/97	6/30/96	6/30/97	6/30/97	6/30/97	6/30/97	6/30/97	6/30/96	6/30/97
Revenue									
Routine	281,813,271	292,270,385	207,937,944	14,318,555	7,730,250	26,666,684	14,184,000	892,322,257	850,752,875
Ancillary	485,215,447	485,033,998	280,802,162	53,610,060	3,359,878	0	25,335,000	1,597,138,770	1,492,516,537
I/P	115,245,481	102,884,813	79,502,281	24,627,804	754,533	10,673,182	27,721,000	905,225,129	504,798,688
O/P									
Gross Patient Service Revenue	882,274,199	880,199,284	577,742,387	92,556,419	11,844,061	37,343,866	67,240,000	3,054,686,156	2,818,067,810
Contractual Allowance									
I/P	(505,837,639)	(532,338,775)	(324,725,752)	(35,991,518)	(5,724,030)	(12,837,676)	(38,259,000)	(1,532,299,588)	(1,444,290,838)
O/P	(60,492,786)	(52,604,637)	(47,278,706)	(19,346,561)	(435,676)	(5,248,185)		(338,946,739)	(273,084,089)
Net Patient Service Revenue	315,943,774	305,255,882	205,737,929	40,248,320	5,684,955	19,258,025	28,981,000	1,183,438,818	1,100,692,884
I/P Acute Bad Debt Expense	(7,518,547)	(5,206,194)	(6,415,643)	(1,592,727)	(580,855)	(398,209)	(715,000)	(24,856,867)	(25,474,468)
I/P Bad Debt Recovery	331,303	265,867	835	40,361	0	218,505		1,121,801	1,787,788
O/P Acute Bad Debt Expense	(4,469,295)	(8,903,302)	(9,234,827)	(1,201,785)	(110,946)	(757,040)		(31,480,908)	(36,132,197)
O/P Bad Debt Recovery	1,075,654	434,566		89,278				2,380,219	1,484,735
Bad Debt as % of Net Patient Serv.	3.33%	4.39%	7.61%	6.72%	12.17%	4.86%	2.47%	4.46%	5.30%
Contractual Allowance as % of Gross	64.19%	65.71%	64.39%	56.51%	52.00%	46.43%	56.90%	61.26%	60.84%

	EPC	BCC	AGH	Parkview	City Ave.	Forbes
	6/30/97	6/30/96	6/30/97	6/30/97	6/30/97	6/30/97
Revenue						
Routine	47,336,295	44,446,780	240,070,502	4,292,928	3,689,527	40,310,000
Ancillary	69,317,954	59,935,131	491,782,033	6,684,931	11,592,591	50,441,000
I/P	64,072,069	56,805,144	225,699,462	5,685,119	4,665,533	41,764,000
O/P						
Gross Patient Service Revenue	180,726,318	161,189,055	957,451,997	16,662,978	19,827,651	132,515,000
Contractual Allowance						
I/P	(79,467,969)	(68,620,567)	(410,626,654)	(4,891,656)	(6,935,103)	(58,059,000)
O/P	(40,386,638)	(32,530,462)	(124,900,762)	(3,787,803)	(1,987,121)	
Net Patient Service Revenue	60,871,711	60,037,986	526,825,343	7,983,417	12,105,427	74,456,000
I/P Acute Bad Debt Expense	(1,281,890)	(680,566)	(5,932,010)	(193,556)	(677,915)	(975,121)
I/P Bad Debt Recovery			789,593			
O/P Acute Bad Debt Expense	(1,540,931)	(1,918,882)	(10,150,006)	(1,304,565)		
O/P Bad Debt Recovery			1,304,565			
Bad Debt as % of Net Patient Serv.	4.64%	4.33%	3.32%	2.42%	5.60%	1.31%
Contractual Allowance as % of Gross	66.32%	62.75%	55.93%	52.08%	39.25%	43.81%


A I/P and O/P are combined.

PWC 010162.A
FOIA Confidential Treatment
Requested by PWC

B Per inquiry of the client, C&L notes that City Ave. and Ranocas have slightly lower contractual allowance percentages due to the payor mix for each hospital.

EXHIBIT 4258

AHERF
06/30/97

Working Paper Name: hahnemann t/b review
Working Paper Reference: 0025-200a
Working Paper Type : Created in Notes

why is their overall cash improved, is this related to an increased aging of their payables

document and understand current year debt service requirements

i/p contractual reserve, I assume in-house and DNFB are up, is that correct

how was the first 25 of the 50 million distributed to the entities or did this occur in April

what is the HIP NJ Cap Clearing acct this is new

why no change in the healthpartners clearing acct from prior year

what happened to PIP this year, why have the balances been reclassified to current

pip ushc 96, 2.7 million adjustment, did we miss this last year

did they reverse cushions for 1990 and prior years

1992 is this additional ime receivables

what is the additional reserve for 1996 related to

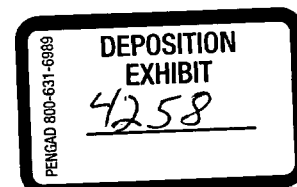
was 93 ma settled

why is there an intercompany balance this year

what is the a/r affiliated hospitals receivable, acct # 139005

detail for misc receivables
(prior year was DC33 for \$173 and ARA refund for \$217 and misc of \$191)

why is the inventory reserve increasing, is this still cushion



JD-MEYER CLASS
DISK

what happened to the Foxmeyer drug advance, was this used due to the bankruptcy filing, who is their current drug supplier

mv change on participating trust acct or perm restricted assets

amortization of cap interest, should there be some, what are their plans for recording in the current year

depr reserve of \$1 million, is this still needed

how many years are they amortizing the org costs over, are there any new amounts this year

Accrued other and accrued miscellaneous - what makes up these accounts

perform a reasonableness test over the 96 debt interest accrual

no change in Hahn liability, how are claims being paid, expected timing of actuarial analysis

debt compliance, is there a mandatory paydown period on the loc and have they met it

amortization of the bond discount, this amount seems low

are there any established repayment terms for the ahert n/c intercompany

Rollforward of temp investments

Beginning	5,802,006
income	345,239
realized	2,034,504
unrealized	(1,435,061)
Used in Op	(50,743)
	6,695,945
Per T/B	<u>6,746,688</u>
Difference	(50,743) ???????

also, per tem restricted net asset detail - expenses were \$597,631. what is that and why doesn't it agree. ending na for tem restricted = \$6,107,527 compared to \$6,746,688.

Teaching/Admin Support expense increased \$1.6 million over p/y

Rental/lease expense up \$1.2 million over p/y

Support and contract up over \$4 million from p/y

Malpractice expense down about \$2.6 million annualized.

Depreciation rollforward	Beginning	188,560,000
	Expense - IS	<u>13,103,964</u>
	Ending	201,663,964

from rollforward - no disposals - but P&L shows gain on sale of \$30,000

Does HUH have docs?? Pro fee receivables of \$112,000 - how many?

☐ **Completed**

Completed By:

Date:

Last Modified By:

Christa L. Porter
05/22/97 10:30:51 AM

Date:

☐ **Reviewed**

☐ **Mark for Deletion**

Modification History:

Christa L. Porter
Amy S. Frazier

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0025-200a - hahnemann t/b review - S. - Lotus Notes

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AHERF

06/30/97

Working Paper Name: hahnemann t/b review
Working Paper Reference: 0025-200a
Working Paper Type: Created in Notes

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why no change in the healthpartners clea

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did they reverse cushions for 1990 and p

1992 is this additional ime receivables

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was 93 ma settled

why is there an intercompany balance this year

what is the a/r affiliated hospitals receivable, acct # 139005

Document

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Client_Step_Number	

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06/30/97

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AHERF 06/30/97

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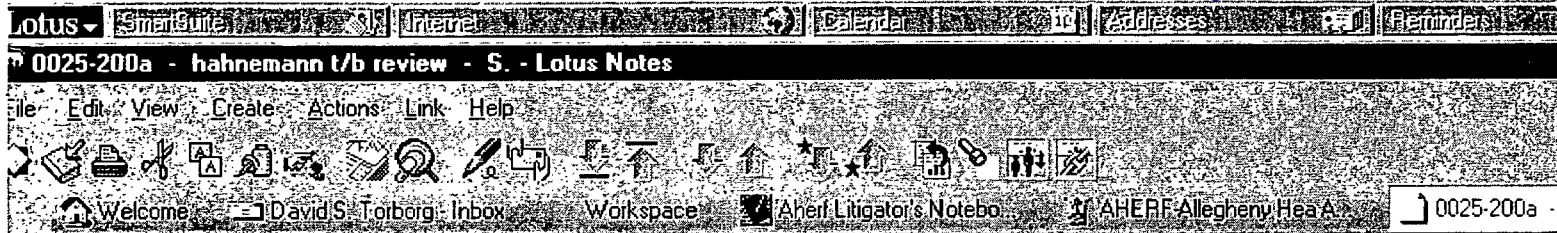
what is the a/r affiliated hospitals receivable, acct # 139005

Document

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AHERF
06/30/97

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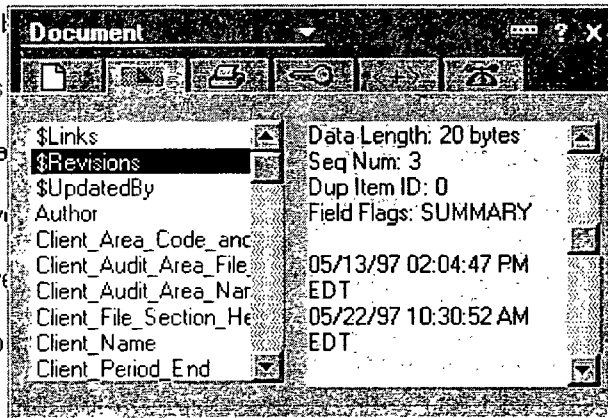
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AHERF
06/30/97

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Working Paper Reference: 0025-200a
Working Paper Type: Created in Notes

why is their overall cash improved, is this related to an increased aging of their payables

document and understand current year debt service requirements

i/p contractual reserve, I assume in-house and DNFB are up, is that correct

how was the first 25 of the 50 million distrib

what is the HIP NJ Cap Clearing acct this

why no change in the healthpartners clea

what happened to PIP this year, why have

pip ushc 96, 2.7 million adjustment, did we

did they reverse cushions for 1990 and p

1992 is this additional ime receivables

what is the additional reserve for 1996 related to

was 93 ma settled

why is there an intercompany balance this year

what is the a/r affiliated hospitals receivable acct # 139005

983 unread document(s) remaining

Start MANAGE iManag Microsoft Word: #2 0025-200a ha Document WordPad

Document

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Date_Completed	Field Flags: SUMMARY
Date_Confirm	05/22/97 10:30:51 AM
Date_Created	EDT
Date_Deleted	
Date_Modified	



AHERF
06/30/97

Working Paper Name: hahnemann t/b review
Working Paper Reference: 0025-200a
Working Paper Type: Created in Notes

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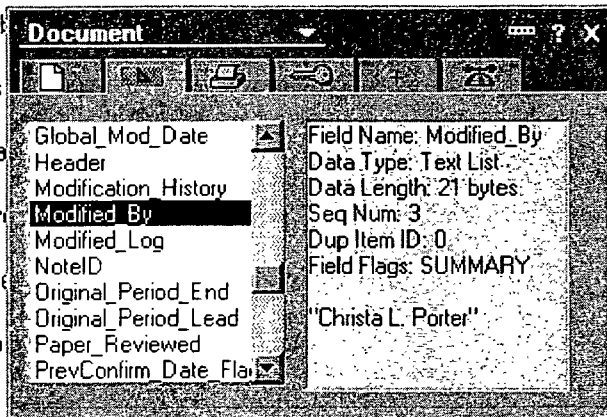
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AHERF
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Working Paper Name: hahnemann t/b review
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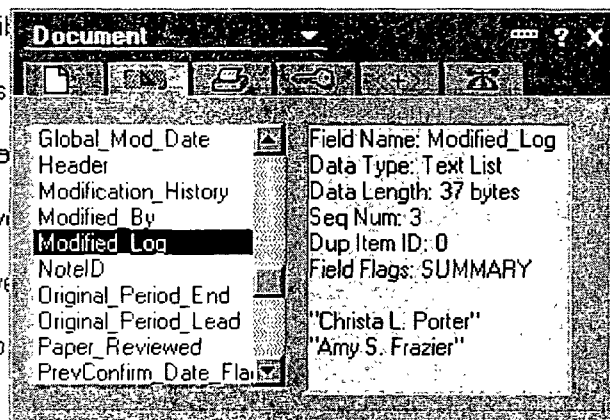


EXHIBIT 4274

AHERF
06/30/96

Issue Topic: Bad Debt Methodology

Issue Description: During the current year we noted that for MCPH, the client has continued to utilize self-pay as its basis for calculation of the bad debt reserve. The analysis should be updated to include all financial classes by aging category.

Link to Further Information: Audit Program Step  Audit program step

Issue Type : Management Letter

**Audit Area(s)
 Affected **: Patient Accounts Receivable - MCPH

Client Site : MCPH


 **Cleared**

Comments:

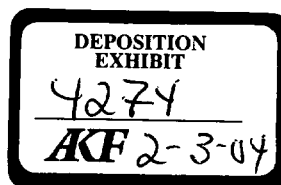
The client basis its reserve for doubtful accounts calculation on the balances contained in the self pay financial classes, as well as, the patient account balance portion of all other financial classes. The analysis should be revised to include the insurance as well as the patient account balance for all financial classes.

Created By: Amy S. Frazier
Last Modified By: Mark D. Kirstein
Cleared By:

Date: 05/24/96 01:44:21 PM
Date: 10/02/96 05:18:43 PM
Date:

 Reviewed	Mark D. Kirstein	10/02/96 05:18:43 PM
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CL 001178

EXHIBIT 4284

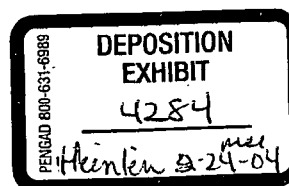
RECORD OF MONITORING CONTROLS
HEALTH CARE
AHERF
06/30/97

System Cycle: Revenue

Accounting System: Patient Accounts Receivable/Revenue

Summary: Record of Monitoring Controls

Objective	What control procedures address the objective?
-----------	--



CL 016103

Senior management and the BOD review various management level reports to monitor revenue and patient activity levels. Monthly internally generated financial statements which compare actual to budgeted and prior year results are prepared including:

- An financial statement package which indicates the significant financial and operating highlights for the hospital, including the levels of patient admissions and discharges, inpatient lengths of stay, occupancy levels, and payor mix. (This is prepared when all entities are consolidated at month end.)

- A trend analysis is prepared for hospital revenue and charity care to identify unusual monthly fluctuations by department and in total. Inquiries are made for large variances. The trend analysis is included in the monthly financial statement package.

- Days in patient A/R is computed and compared to A/R days of other major hospitals. Management uses this information to identify receivable collection problems and undertakes corrective action.

- Amounts written-off to bad debts are tracked on a monthly and year-to-date basis. Inquiries are made of the A/R and collection departments to identify and reduce large A/R write-offs. Bad debts are tracked during the monthly financial statement package review.

- The accounting department prepares reconciliations of subsidiary accounts receivable records to the G/L control accounts on a monthly basis. Jack Nelson, Jack Lydon and Al Adamczak (AGH, AVH, Forbes, Park View, City Ave.) and Robin Schaffer and Dan Cancelmi (Delaware Valley, Graduate) review and approve the recons.

- Greg Snow, Patient Acct Vice President and Joe Dionisio, Sr VP of Finance, share an integral role in the monitoring of hospital revenue. These individuals, in particular, analyze the monthly financials and make requests of finance, patient accounting directors or professional hospital staff to investigate unusual variances or revenue trends.

- Management (Dan Cancelmi) monitors revenue when reviewing the Gross/Net Revenue Trend Report. If an unusual trend exists, management will then review the Gross Ancillary Charges I/P & O/P report which compares month to date to accumulated YTD totals.

If there are any audit implications and/or management letter comments, compose an issue by selecting the Compose Issue button from the CLASS SmartIcon bar or choosing Compose, 2. Issue from the Lotus Notes menu bar.

Confirmation:

☐ System Confirmed?

Record of Tests:

☒ Test Completed
☐ Test Outstanding
☐ No Test Planned

Test Procedure:

Record of Monitoring Controls- Record of Test

☒ Completed

<input type="checkbox"/> Reviewed	Christa L. Porter	05/19/97 04:07:55 PM
	Christa L. Porter	08/04/97 03:51:00 PM

Completed By:	Kristen Heinlein	Date: 05/16/97 08:28:00 AM
Tested By:	Kristen Heinlein	Date: 05/20/97 04:52:03 PM
Confirmed By:		Date:
Last Modified By:	Christa L. Porter	Date: 08/04/97 03:51:00 PM

☐ Mark for Deletion

CL 016105

Objective**Points of Focus****What control procedures address the objective?**

Senior management and the BOD review various management level reports to monitor revenue and patient activity levels. Monthly internally generated financial statements which compare actual to budgeted and prior year results are prepared including:

- An financial statement package which indicates the significant financial and operating highlights for the hospital, including the levels of patient admissions and discharges, inpatient lengths of stay, occupancy levels, and payor mix. (This is prepared when all entities are consolidated at month end.)
- A trend analysis is prepared for hospital revenue and charity care to identify unusual monthly fluctuations by department and in total. Inquiries are made for large variances. The trend analysis is included in the monthly financial statement package.
- Days in patient A/R is computed and compared to A/R days of other major hospitals. Management uses this information to identify receivable collection problems and undertakes corrective action.
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- Management (Dan Cancelmi) monitors revenue when reviewing the Gross/Net Revenue Trend

Report. If an unusual trend exists, management will then review the Gross Ancillary Charges I/P & O/P report which compares month to date to accumulated YTD totals.

- PFSG directors in admissions, medical records and billing and collections review various internal management level reports to monitor patient account activity:

- A/R Agings (monthly reports that detail A/R by payor, hospital, agings focussing on accounts older than 90 days old) (Refer to **A/R Agings ROT**)
 - Internal financial services reports (i.e., daily cash report) (Refer to **Daily Cash Report ROT**)
 - Rejected billing reports (i.e., Quarterly AHERF Rejected Claim Analysis Report) (Refer to **Rejected Claim Analysis Report ROT**)
 - Financial Reporting Executive Summary Report (reports on days in system A/R, credit balances, historical data, cash summaries, etc.) (Refer to **Executive Summary ROT**)

A Post Payment Review Department (headed by Carole Bailey) was developed during FY97. The department reviews the following reports on a weekly basis:

- New Credit Balances Created from Transactions Posted (investigate if refunds are due, is AHERF waiting for a retraction due to an overpayment from an insurance co., etc.)
 - New Debit Balances with Payments Posted of \$25 or Greater and a Remaining Balance in Excess of \$1,000 (investigate in the account was contractualized correctly, does a rebill need to occur due to the first bill not being correct, does another payor need to be billed, etc.)
 - Account Charges Greater than \$2,500 with a balance within 90% of Total Charges Final Billed (examine all patient accounts that are remaining at gross charges, except commercial, self-payors, and MA Apps.)
 - At month end, an Out of Period Report is developed than details the contracuals taken in the recent month that were billed in the prior month. This report is also given to Robin Schafer in Finance.
(Refer to **Post Payment Review Dept. ROT**)

EXHIBIT 4292

AHERF
06/30/97

Working Paper Name: Bucks - Bad Debt Reserve
Working Paper Reference: 0053-10
Working Paper Type I: Prepared by Client, OLE

ALLEGHENY UNIV. HOSPITALS, BUCKS COUNTY
ACCOUNTS RECEIVABLE AGING - INPATIENT
(Revised Bad Debt Calculations)
MARCH 31, 1997

NOTE: This w/p represents the inpatient and outpatient bad debt calculations and the summary of reserves for bad debt for both inpatient and outpatient.

☒ **Completed**

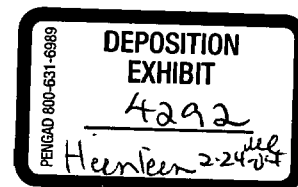
Completed By:	Kristen Heinlein	Date:
	06/09/97 11:11:29 AM	
Last Modified By:	Kristen Heinlein	Date:
	07/06/97 02:33:31 PM	

☐ **Reviewed**

☐ **Mark for Deletion**

Modification History:

Kristen Heinlein



JD-MEYER CLASS
DISK

AGED FROM FINAL BILL DATE

CLASS	TOTAL	IH & DNFB (NET)	FINAL BILLED	0-30	31-60	61-90	91-120	121-150	151-180	181-270	271-365	365+
A MEDICAID	1,088,151	36,085		306,800	351,668	34,338	24,908	51,632	55,769	143,569	50,208	33,173
B BLUE CROSS	251,023	26,688		60,520	25,928	43,965	40,952	3,586	10,008	20,720	15,049	3,606
C COMMERCIAL	377,639	25,208		139,451	117,829	34,264	7,272	3,498	19,172	33,284	(3,637)	1,299
D DIRECT CONTRACTING	91,992	37,186		4,840	5,141	0	0	5,917	16,235	10,766	4,251	7,655
F CHARITY CARE	1,294	0		0	0	0	1,294	0	0	0	0	0
H HMO (USHC/KHPE)	2,576,484	213,753		924,453	673,607	243,699	87,761	111,637	70,314	143,696	81,838	25,726
I PATIENT CONTRACTS	15,209	0		760	0	1,405	686	200	544	736	7,293	3,584
M MEDICARE	1,565,934	416,507		594,523	130,302	118,935	55,228	40,309	67,189	61,743	38,921	42,277
N MANAGED MA	283,708	28,036		48,016	57,622	39,949	12,740	7,740	22,167	22,563	3,344	41,531
P PPO-PREFERRED PROVIDER	788,325	117,334		176,398	135,889	132,633	58,256	34,888	16,100	70,208	38,755	7,865
U SELF PAY	1,345,334	34,584		252,944	221,485	256,147	160,395	133,765	70,362	160,759	1,283	53,609
W WORKERS COMP/NO FAULT	114,836	4,182		52,579	6,039	7,322	5,611	0	2,717	25,912	0	10,474
TOTAL	8,499,928	939,563	0	2,561,284	1,725,510	912,657	455,103	393,172	350,577	693,957	237,305	230,800

Additional Reserve on Billed Commercial:

Total gross billed commercial
Estimated contractuals at payment
Additional reserve required

352,431
20.00% F
70,486

X

A e A/R aging without exception.
(NOTE: For inhouse A/R, inhouse & DNFB total should not be included to agree to the aging.)

F rical data from Patient Accounting.

JD-MEYER CLASS
DISK

ALLEGHENY UNIV. HOSPITALS, BUCKS COUNTY
INPATIENT BAD DEBT RESERVE CALCULATION
(Revised Bad Debt Calculations)
MARCH 31, 1997

CLASS	TOTAL	INHOUSE & DNFB (NET)	FINAL BILLED	0-30	31-60	61-90	91-120	121-150	151-180	181-270	271-365	365+
A MEDICAID	274,822	0	0	15,340	17,583	1,717	2,491	5,163	5,577	143,569	50,208	33,173
B BLUE CROSS	32,049	0	0	3,026	1,296	2,198	1,296	1,296	1,296	3,606	3,606	11,287
C COMMERCIAL ***	19,571	0	0	5,578	4,713	1,371	582	280	1,534	6,657	(2,182)	1,039
D DIRECT CONTRACTING	16,249	0	0	242	257	0	0	592	1,624	2,692	3,188	7,655
F CHARITY CARE	1,294	0	0	0	0	0	1,294	0	0	0	0	0
H HMO	242,087	0	0	46,223	33,680	12,185	8,776	11,164	7,031	35,924	61,379	25,726
I PATIENT CONTRACTS	9,489	0	0	38	70	69	54	20	54	184	5,470	3,584
M MEDICARE	145,363	0	0	29,726	6,515	5,947	5,523	4,031	6,719	15,436	29,191	42,277
N MANAGED MA	61,224	0	0	2,401	2,881	1,997	1,274	774	2,217	5,641	2,508	41,531
P PPO-PREFERRED PROVIDER	87,654	0	0	8,820	6,794	6,632	5,826	3,489	1,610	17,552	29,065	7,865
U SELF PAY	780,492	17,292	0	126,472	110,742	128,074	80,198	68,882	35,181	160,759	1,283	53,609
W WORKERS COMP/NO FAULT	21,082	0	0	2,629	302	366	561	0	272	6,478	0	10,474
REQUIRED RESERVE	1,691,377	17,292	0	240,495	184,765	160,556	110,687	92,753	62,819	400,071	191,397	230,540

.....Commercial reserve is calculated based on gross A/R less estimated contractual percentage [see gross A/R schedule.]

ALLEGHENY UNIV. HOSPITALS, BUCKS COUNTY
OUTPATIENT AIR AGING - RECEIVABLES AT GROSS
(Revised Bad Debt Calculations)
MARCH 31, 1997

AGED FROM LAST PAY DATE										
CLASS	TOTAL	0-30	31-60	61-90	91-120	121-150	151-180	181-270	271-365	365+
A MEDICAID	300,762	43,702	29,359	38,116	2,830	38,665	13,280	67,243	19,056	48,511
B BLUE CROSS	484,469	219,702	71,308	21,169	34,868	16,891	18,847	37,594	46,480	17,610
C COMMERCIAL	980,848	163,547	207,309	101,721	71,099	44,009	45,889	125,948	128,009	93,318
D DIRECT CONTRACTING	64,311	8,674	2,328	2,592	4,538	2,503	5,829	17,304	16,415	4,127
E CHARITY CARE	1,658	0	242	332	0	1,084	0	0	0	0
H HMO	6,310,554	1,542,930	1,392,553	689,523	496,850	216,664	265,558	915,321	586,273	224,882
I PATIENT CONTRACTS	36,920	13,221	4,858	4,252	2,276	4,722	(61)	3,465	2,522	1,665
M MEDICARE	1,520,716	688,373	192,309	90,612	82,460	148,445	83,602	134,399	70,905	29,612
N MANAGED MA	378,935	88,766	59,985	30,540	33,241	17,515	19,814	56,377	46,102	26,595
O PO-PREFERRED PROVIDER	1,287,675	522,016	234,480	85,641	67,483	55,405	65,738	85,103	100,469	71,339
J SELF PAY	831,865	96,548	110,495	87,298	105,411	43,976	56,396	144,610	108,492	78,640
W WORKERS COMP/NO FAULT	938,377	157,534	90,021	69,015	49,784	51,463	32,550	128,369	259,996	99,645
TOTAL	13,137,089	3,545,012	2,395,247	1,200,809	950,840	651,675	597,108	1,715,733	1,384,719	695,945

JD-MEYER CLASS DISK